Regd. No. NE 907

The Mizoram Gazette

EXTRA ORDINARY

Published by Authority

Vol. XXVIII. Aizawl, Tuesday 10. 8. 1999, Sravana 19, S.E. 1921, Issue No. 201

NOTIFICATION

No. G-16035/1/98-FEA, the 9th August, 1999. Government of Mizoram hereby notified the issue of the Scheme for Constitution and Administration of the Consolidated Sinking Fund of Government of Mizoram for redeeming its open market loans as per the terms and conditions enclosed herewith.

By order and in the name
of the Governor of Mizoram.

C. Lalchhuma,
Secretary to the Govt. of Mizoram,
Finance Department.

SCHEME FOR CONSTITUTION AND ADMINISTRATION OF THE CONSOLIDATED SINKING FUND OF GOVERNMENT OF MIZORAM

Title of the Scheme 1. The Scheme shall be called 'Consolidated Sinking Fund Scheme' of the Government of Mizoram.

Constitution of the Fund 2. A 'Consolidated Sinking Fund' will be constituted by the Government of Mizoram for redeeming its open market loans.

Objective of the Scheme 3. The Consolidated Sinking Fund is to be utilised as an Amortisation fund for redemtion of the open market loans of Government commencing fom the financial year 2004-2005.

Commencement of The Operation of the Scheme 4. It shall come into force with effect from the financial year 1999-2000.

EXPLANATION

(a) The interest accrued and accumulated in the Fund only will be ulilised towards the redemption of the open market loans of the Government, as hereinafter provided.

(b) The Fund shall not be utilised for any purpose other than redemption of open market loans of the Government.

Contributions of the Fund

5. The Government may contribute to the Fund on a modestscale of 1 to 3 per cent of the outstanding open market loans as at the end of the previous year beginning with the financial year 1999–2000 and increase the contributions to a level of 3 per cent or more of the outstanding open market loans of the immediately preceding year. There is no ceiling on such contributions to the Fund in terms of number of amount of contributions in a year. It is open to the Government to invest in the Fund from the General revenues at any time or from other sources such as disinvestment proceeds to the Fund, as its discretion.

Relationship of the Fund with General Revenues

6. The corpus of the Fund comprising the periodic contributions as well as the income accruing to the Fund shall be kept outside the General Revenues of the Government. The Fund shall be utilised in the manner prescribed in this Scheme.

Administration of the Fund

7. The Fund shall be administered by the Central Account Section of Reserve Bank of India at Nagpur, (herein after referred to as the Bank), subject to such directions/instructions as the Government may issue from time to time.

Investment of the corpus of the Fund

8. The accretions to the Fund shall be invested in Government of India Securities of such maturities as the State Government may determine from time to time in consultation with the Bank.

EXPLANATION

(a) The accretions to the Fund shall include the periodic contributions and the income accruing to the Fund from investment thereof.

(b) The Bank will make available the securities for investment from its investment portfolio.

Account Transactions

9. (a) The Bank would arrange to raise a debit to the account of the Government maintained with it as per the advice of the State Governments.

(b) The contributions to the Fund shall be invested by the Bank in Government of India Securities as indicated in paragraph 8, in multiples of Rs. 10,000/-

(c) The periodic accretion to the Fund by way of interest income shall be reinvested by the Bank in a similar manner, in multiples of Rs. 10,000/-

(d) The investments held in the Fund and maturing during currency of the scheme shall be reinvested in accordance with paragraph 8.

(e) No withdrawals will be allowed from the Fund until 2004-2005.

EXPLANATION

(a) The withdrawals may be allowed from out of the invest income accrued and accumulated in the Fund up to the financial year 2003-2004 towards the redemption of the internal debt of the Goverument as per its directions.

(b) The contributions forming the corpus of the Fund shall remain impact, until substantial amount is built up. A review thereof may be taken at an appropriate period from 2004-2005.

(c) The debit to Government on account of the periodic instalments will be accounted under the major head 8222 (Reserve Funds). On the maturity of the loan, the balance outstanding under the head 8222 (sub-head Sinking Fund) is credited to the head 8660 (Miscellaneous Government Account) Ledger Balance Adjustment Account.

(d) The Bank will scroll to the Government debit on account of investment, less the incidental charges in the usual course. However, in order to ensure that the investment transactions of the Fund do not get mixed up with other transactions, this will be indicated distinctly in separate scrolls.

(e) The Bank will arrange to collect interest on the investments and credit the same to the Fund on the due dates.

(f) On the maturity of the securities, the Bank will arrange to redeem the securities and in case of premature disinvestments, to sell the securities at the ruling price and credit the amount realised, less incidental charges to the Fund. As in the case of debit scrolls, the Bank shall use separate scrolls for the receipts.

(g) The provision for expenditure on account of the periodic contributions will be made in the Budget of the Government under the relevant head. The extent of expenditure to be financed from the Fund shall be withdrawn from the Fund by the disposal of the investment.

(h) The Bank will open a Current Account and Subsidiary General Ledger Account in the name of the Fund and furnish to the Government as at the end of September and March each year, a statement showing the details of investments.

Service charges for administration of the Fund

10. The Government will pay to RBI a commission at the rate of 1/8 per cent of one per cent on the turnover of the Fund or at the rate to be mutually decided from time to time.

Accounts and Audit

11. The accounts of the Fund and the investments shall be maintained by the Accountant General of the State in the normal course. The Bank will maintain subsidiary accounts in such manner and detail as may be considered by the State Government in consultation with the Accoutant General.

Savings

12. The State Government shall issue instructions relating to the provisions of the Scheme as may be considered from time to time to enable smooth functioning of the Scheme. In case of any difficulty in the operation of any provision of the Scheme, the Governnment may, if satisfied may relax the provisions.

Published & Issued by the Controller, Printing & Stationery, Mizoram
Printed at the Mizoram Govt. Press, Aizawl — C/800